

26TH ANNUAL GENERAL MEETING

STATEMENT OF CHAIRMAN – SHRI RAMESH SURI

GOOD MORNING,

LADIES & GENTLEMEN,

ON BEHALF OF THE BOARD OF DIRECTORS, I EXTEND A VERY WARM WELCOME TO ALL OF YOU FOR THE 26TH ANNUAL GENERAL MEETING OF YOUR COMPANY.

THE NOTICE CONVENING THIS ANNUAL GENERAL MEETING, REPORT OF THE DIRECTORS AND AUDITED ACCOUNTS ALONG WITH DIRECTORS REPORT OF YOUR COMPANY FOR THE YEAR ENDED 31ST MARCH, 2011 HAVE BEEN WITH YOU FOR SOME TIME AND I AM SURE YOU WOULD HAVE STUDIED THEM.

NOW WITH YOUR PERMISSION, MAY I TAKE THEM AS READ?

DEAR SHAREHOLDERS, I AM PLEASED TO SHARE WITH YOU THAT YOUR COMPANY DID WELL DURING THE YEAR 2010-11 BY RECORDING SALES VALUE GROWTH OF 22%. THUS, ACHIEVING A SALES TURNOVER OF RS.1203 CRORES AS AGAINST 983.83 CRORES IN THE PREVIOUS YEAR.

YOUR COMPANY ALSO REGISTERED A PROFIT BEFORE TAX OF RS.32.02 CRORES AND NET PROFIT AFTER TAX OF RS.28.54 CRORES.

DURING THE YEAR 2010-11, INDIA'S ECONOMIC GROWTH FURTHER IMPROVED TO AROUND 8.5%.

THE AUTOMOTIVE INDUSTRY, WHICH IS THE MAIN MARKET FOR YOUR COMPANY, PERFORMED EQUALLY IMPRESSIVELY DURING THE YEAR.

THE PASSENGER CAR SEGMENT RECORDED A 27% GROWTH. LIKEWISE, THE COMMERCIAL VEHICLE SEGMENT GREW BY 32%.

THIS POSITIVE MARKET SENTIMENT, IN TURN, FUELLED DEMAND FOR AUTOMOTIVE COMPONENTS AND ASSEMBLIES. INDIA IS EXPECTED TO WITNESS STRONG GROWTH IN AUTOMOTIVE PRODUCTION TILL 2020 ACROSS ALL SEGMENTS.

BY 2020, PASSENGER CARS ARE EXPECTED TO TOP 9 MILLION UNITS, AND COMMERCIAL VEHICLES WILL TOUCH 2.35 MILLION UNITS.

THE INDIAN AUTOMOTIVE COMPONENT INDUSTRY AND IN PARTICULAR, SUBROS WILL BENEFIT FROM THIS GENERAL GROWTH.

WITH AN EYE ON FUTURE GROWTH, YOUR COMPANY HAS TAKEN SEVERAL MEASURES BESIDES THE CAPACITY ENHANCEMENT AND TECHNOLOGY UPGRADATION; ENTERED INTO THE NEW MARKET OF COMMERCIAL VEHICLES FOR THE

AIR CONDITIONING SYSTEMS FOR BUSES (MINI & LARGE) AND ALSO THE TRUCK CABIN.

WE AT SUBROS, HAVE ALWAYS BELIEVED IN SATISFYING OUR CUSTOMERS TO THE BEST OF OUR ABILITIES.

THIS HAS RESULTED IN WINNING VARIOUS AWARDS & RECOGNITIONS DURING THE YEAR FROM OUR VALUED CUSTOMERS:

FROM :

MARUTI SUZUKI INDIA LTD.

1. GOLD TROPHY FOR OVERALL EXCELLENCE
2. BEST IN WARRANTY IMPROVEMENT – SHIELD
3. BEST TIER 2 SUPPLIER UPGRADATION – SHIELD
4. BEST VA/VE – CERTIFICATE
5. BEST TIMELY CAPACITY ADDITION - CERTIFICATE

MAHINDRA & MAHINDRA

1. SPD PERFORMANCE AWARD
2. SUSTAINABILITY AWARD

FURTHER, YOUR COMPANY HAS ALSO WON GOLD AWARD IN AUTO ANCILLARY SECTOR (LARGE CATEGORY) – INDIA MANUFACTURING EXCELLENCE AWARD (IMEA), CONDUCTED BY ECONOMIC TIMES & FROST AND SULLIVAN

AND

AWARD FOR EXCELLENCE IN MANUFACTURING FROM **ACMA**.

DEAR SHAREHOLDERS, I AM PLEASED TO INFORM YOU THAT DENSO SUBROS THERMAL ENGINEERING CENTRE INDIA LIMITED (A JV OF DENSO & SUBROS) STARTED ITS OPERATIONS DURING THE YEAR.

THIS WILL FURTHER ENHANCE DESIGN AND DEVELOPMENT CAPABILITIES OF SUBROS TO SUPPORT NEW PRODUCTS/BUSINESS DEVELOPMENT FOR ITS VALUED CUSTOMERS IN RESPECT OF COST & TIME SAVING.

THE SUPERIOR TECHNOLOGY AND QUALITY PRODUCT GIVE YOUR COMPANY A COMPETITIVE EDGE IN THE MARKET.

WE WILL CONTINUE TO FOCUS ON WIDENING OUR PRODUCT PORTFOLIO WITH BETTER PRODUCTS AND SOLUTIONS FOR OUR VALUED CUSTOMERS.

WITH OUR TECHNOLOGICAL EXPERTISE, DEDICATED WORKFORCE, HIGH PROFESSIONALISM AND POLICY OF CONTINUOUS IMPROVEMENT, WE LOOK FORWARD TO THE FUTURE WITH CONFIDENCE.

THE COMPANY'S QUEST FOR CONTINUOUS VALUE CREATION WOULD NOT HAVE BEEN POSSIBLE BUT FOR THE SUPPORT, WE HAVE RECEIVED FROM ALL OUR CUSTOMERS & BUSINESS ASSOCIATES.

I EXPRESS MY SINCERE THANKS TO THE TEAM LED BY THE MANAGING DIRECTOR MS. SHRADHA SURI MARWAH AND OUR CEO MR. D.M. REDDY FOR SUCH REMARKABLE PERFORMANCE.

I PLACE ON RECORD THE CONTRIBUTION OF ALL PROFESSIONALS AND THE DEDICATED WORK FORCE OF SUBROS FOR THEIR CONTRIBUTION TOWARDS THE GROWTH AND SMOOTH OPERATION OF THE COMPANY.

DEAR SHAREHOLDERS, I AM PLEASED TO INFORM YOU THAT YOUR DIRECTORS RECOMMEND A DIVIDEND OF 40% (80 PAISA PER SHARE) ON THE PAID-UP EQUITY SHARE CAPITAL FOR THE FINANCIAL YEAR 2010-11 AS AGAINST 35% (70 PAISE PER SHARE) PAID IN THE PREVIOUS YEAR.

BEFORE I CONCLUDE, I EXPRESS MY SINCERE THANKS TO OUR VALUED CUSTOMERS, M/S. MARUTI SUZUKI INDIA LIMITED, TATA MOTORS LTD., MAHINDRA & MAHINDRA LTD., & FORCE MOTORS LTD., FOR THEIR SUPPORT AND CONFIDENCE.

I PLACE ON RECORD OUR APPRECIATION AND GRATITUDE TO OUR PARTNERS, M/S. DENSO CORPORATION, JAPAN AND SUZUKI MOTOR CORPORATION, JAPAN FOR THEIR VALUABLE GUIDANCE AND SUPPORT FROM TIME TO TIME.

I AM GRATEFUL TO OUR BANKERS, CANARA BANK, KOTAK MAHINDRA BANK AND OTHERS FOR THEIR CO-OPERATION AND SUPPORT FROM TIME TO TIME.

I ALSO OFFER MY SINCERE THANKS TO MY COLLEAGUES ON THE BOARD FOR THEIR VALUABLE ADVICE AND GUIDANCE.

DEAR SHAREHOLDERS, I THANK YOU ALL, FOR BEING WITH US TODAY AND FOR YOUR INVALUABLE SUPPORT AND CONFIDENCE REPOSED IN THE COMPANY.

THANK YOU ONCE AGAIN,